

R.Rm.

17 January 1957

MEMORANDUM FOR THE DIRECTOR

SUBJECT: Comment on "Planning for Possible Acceptance by Chiang Kai-shek of Chinese Communist Offer to be Vice President"

REFERENCE: Memorandum, subject as above, to DCI from Inspector General, dated 3 January 1957

1. We believe that Chiang Kai-shek himself would not respond favorably to any invitation to assume a position in the Chinese Communist regime. Chiang considers himself and the National Government as the guardians of traditional Chinese culture and traditions and we believe that his anti-Communist attitudes are so deeply rooted that he would not accommodate to Peking even in the face of the desertion of his principal subordinates. This view of Chiang's position is implicit in the statement in NIE 43-56, "The Prospects of the Government of the Republic of China", published 7 October 1956, that "so long as President Chiang remains in power no substantial change in Nationalist policy is likely to occur." We have received no intelligence tending to alter this view.

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2. Chou Shu-lai's public statements about a position in the Peiping regime for Chiang Kai-shek were almost certainly made in order to stimulate doubt and uncertainty in lower levels on Taiwan, rather than with any expectation of subverting Chiang. The Chinese Communists have been attempting for at least two years to subvert individuals and groups at all levels on Taiwan, and we share the concern expressed in the referenced memorandum both as to the possibility of success of these Communist efforts and our lack of information on the success or failure of the Communist effort to date. In NIE 43-56 the intelligence community agreed that "If Communist China continues its peaceful pose, avoids serious internal tensions, continues to make substantial domestic economic progress, and attains increased international recognition, an increasing number of mainland Chinese on Taiwan will be conditioned to look more favorably upon the Communist regime and upon the possibility of reaching some accommodation with it."

3. We have indicated our concern in this matter both in direct communication with FBI/PP and through the post-mortem

to the NSA's on Taiwan. Our post mortem to NSA 43-55, dated 15 November 1955, stated that "Our estimates [on Taiwan] could be strengthened by fuller and more specific information on the extent and nature of Communist subversive efforts, the effectiveness of Nationalist counterintelligence, and by more positive information on the state of civilian morale on Taiwan, especially among officials." In the post mortem to NSA 43-56, dated 10 October 1956, the intelligence community agreed that we need more information on "the effect of Chinese Communist propaganda directed toward Taiwan and individuals on Taiwan."

4. We understand that a concerted effort is underway on Taiwan to develop capabilities to obtain from controlled sources the type of information discussed above and in the referenced memorandum. In the meantime we agree with the referenced memorandum that collection requirements should be kept under review. In view of our lack of solid information concerning attitudes of top Nationalist leaders, contingency planning to cover the possibility of high level defections and serious unrest on Taiwan should receive some priority, although we believe the defection of Chiang

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itself most unlikely, we would not recommend barring such a development from contingency planning.

FOR THE BOARD OF NATIONAL ESTIMATES

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